

Message Text

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ACTION ARA-10

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PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 /074 W
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PR 191135Z JAN 77
FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC PRIORITY 4048
INFO AMEMBASSY BRASILIA
AMEMBASSY BRIDGETOWN
AMEMBASSY CARACAS
AMEMBASSY KINGSTON
473#:4/AMEMBASSY NASSAU 98
AMEMBASSY PARAMARIBO
AMEMBASSY PORT OF SPAIN
USMISSION USUN NY

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FROM CHARGE

DEPARTMENT PASS ASSISTANT SECRETARY-DESIGNATE TODMAN, SAN
JOSE; USIA/ILA; AID LA/CAR

E.O. 11652: GDS
TAGS: PFOR, GY, US
SUBJECT: GUYANA 1977

REF: GEORGETOWN 0051 (NOTAL)

1. THE FOLLOWING IS A BRIEF ANALYSIS OF US-GOG RELATIONS
AND POLITICAL PROGNOSIS FOR GUYANA FROM OUR VANTAGE POINV
HERE AS WE ENTER 1977.

2. US-GOG RELATIONS. AS THE NEW YEAR BEGINS, OUR RELATIONS
WITH GUYANA CAN BE SUMMED UP IN ONE WORD -- IMPASSE. NEVER-
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THELESS, GUYANESE OFFICIAL COMMENTS TO ME AND THOSE FEW
FAVORABLE ARTICLES THAT APPEAR ABOUT THE UNITED STATES IN THE
LOCAL PRESS SEEM TO INDICATE THAT THE GOG BELIEVES THE CARTER
ADMINISTRATION WILL BE MORE SYMPATHETIC TOWARD GUYANA. WHILE
THIS MAY BE TRUE, MY CONCERN IS THAT THE RECENT DETERIORATION
OF OUR RELATIONS BEGINNING WITH BURNHAM'S ACCUSATIONS OF IN-
DIRECT USG COMPLICITY IN CUBANA AIR CRASH AND SUBSEQUENT

CHARGES OF DESTABILIZATION, THE CHARACTERIZATION OF THE UNITED STATES AS THE CAPITALIST ENEMY, AND UNFAVORABLE ARTICLES ACCUSING THE CIA OF EVERYTHING FROM CLIMATE CONTROL TO POLITICAL ASSASSINATION MAKE ONE WONDER WHERWRWE CAN BEGIN. IT NOW APPEARS TO BE DE RIGUEUR FOR ANY HIGH-RANKING GOG OFFICIAL MAKING PUBLIC STATSGENTS TO CLAIM GUYANA'S ECONOMIC PROBLEMS ARE IN PART CAUSED BY DESTABILIZATION FROM ABROAD. IT IS GENERALLY ACCEPTED HERE THAT USG IS PRIMARUDESTABILIZER ALTHOUGH CUBAN EXILES, VENEZUELA AND BRAZIL HAVE WFSO BEEN MENTIONED.

3. THIS NATURALLY LEADS ONE TO PONDER HOW WE CAN IMPROVE RELATIONS WITH GUYANA AND INDEED WHETHER WE SHOULD. I RECOGNIZE THAT OUR INTERESTS AND INFLUENCE HERE ARE MINIMAL. WE HAVE BASICALLY LITTLE IN COMMON EXCEPT LANGUUE AND PROXIMITY. OUR AID ACTIVITIES ARE LIMITED TO THE IMPLEMENTATION OF ONGOING PROJECTS. SINCE TWO PLANNED NEW LOAN PROJECTS HAVE BEEN DELAYED FOR OVER ONE YEAR, AID STAFF IS BEING CUT BACK. MOREOVER, IT IS APPARENT THAT THE GOG IS SUSPICIOUS OF OUR INTENTIONS TOWARD GUYANA. OBVIOUSLY, IF OUR RELATIONS ARE TO IMPROVE OR AT LEAST NORMALIZE, THERE IS A NEED TO DEVELOP MUTUAL TRUST AND CONFIDENCE. ON OUR PART, WE MUST CONTINUE TO MAKE CLEAR TO THE GUYANESE THAT WE ARE NOT OPPOSED TO THEIR SOCIALIST REVOLUTION AND THEIR CLOSE RELATIONS WITH THE CUBANS ET AL. ON THEIR PART, THE GOG MUST CEASE OR CERTAINLY MUTE ITS STATEMENTS ACCUSING US OF DESTABILIZATION. THIS MAY BE AN OVER-SIMPLIFICATION OF THE PRESENT PROBLEMS IN OUR RELATIONS BUT CREDIBILITY DOES

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APPEAR TO BE AT THE HEART OF THIS PRESENT SITUATION.

4. WHITHER GUYANA IN 1977--EAST OR NON-ALIGNED? AS THE DEPARTMENT HAS NOTICED IN OUR REPORTING OVER THE PAST SEVERAL MONTHS, WE HAVE EXPRESSED OUR CONCERN OVER WHAT WE CONSIDER TO BE GUYANA'S DRIFT TOWARD THE EASTERN WORLD. OFFICIAL GOG STATEMENTS IN THE PRESS AND FROM BURNHAM ON DOWN PARALLEL AT TIMES A POLITICAL LINE THAT SOUNDS STRAIGHT FROM HAVANA. THIS RHETORIC CAUSES US TO CONSIDER WHAT WE BELIEVE TO BE GROWING CUBAN INFLUENCE WITHIN THE ENTIRE FRAMEWORK OF THE GOG. EVEN THE TRADE UNION MOVEMENT HAS ALSO SHOWN ITSELF TO BE VULNERABLE TO CUBAN PENETRATION. FOR EXAMPLE, THE GUYANA TRADE UNION CONGRESS PLATFORM AT THE RECENT CARIBBEAN LABOR CONFERENCE IN ANTIGUA LAST WEEK WAS DEVELOPED IN HAVANA AS REPORTED IN GEORGETOWN 0087 (NOTAL). IN ANALYZING THIS UNFORTUNATE TREND, I CONTINUALLY ASK WHY. MY ANALYSIS AT THIS TIME LEADS ME TO BELIEVE THAT BURNHAM IS PURSUING THIS POLICY TO NEUTRALIZE HIS MAJOR OPPOSITION, THE MOSCOW-LINE COMMUNIST PEOPLE'S

PROGRESSIVE PARTY (PPP). TO ACHIEVE THIS, THE GOG MUST
PREEMPT IN PART THE POLICIES AND DOCTRINE OF THE PPP AND THE
RESULT HAS BEEN AN APPARENT INCREASED RECEPTIVITY TO CUBAN
POLITICAL INFLUENCE AND DOCTRINE.

5. I ALSO BELIEVE THAT THIS DECISION BY BURNHAM TO RADICALIZE HIS POLITICAL POLICY HAS DIRECTLY AFFECTED THE GUYANESE ECONOMY. IN REVIEWING GOG ECONOMIC ACTIVITY IN 1976, I AM CONVINCED THAT POLITICAL DECISIONS WERE TAKEN THAT HAVE EXACERBATED THE ECONOMIC PROBLEMS OF THE COUNTRY IN 1977. TO BE SURE, BAD WEATHER AND LOW SUGAR PRICES ALSO HURT GUYANA, BUT MY OPINION IS THAT POLITICAL DECISIONS AFFECTING THE ECONOMY HAVE BEEN MADE REGARDLESS OF THE ECONOMIC CONDITIONS AT THE TIME. IN PARTICULAR, THE POURING OF FUNDS INTO THE PEOPLE'S MILITIA, NATIONAL SERVICE AND UPPER MAZARUNI ROAD PROJECT AND OTHER BASICALLY NON-PRODUCTIVE AREAS AT THE EXPENSE OF CAPITAL INVESTMENTS IN AGRICULTURE AND OTHER PRO-
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DUCTIVE SECTORS HAS DEEPENED THE ECONOMIC CRISIS. PLAIN MISMANAGEMENT AND SOME CORRUPTION HAS HELPED.

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FROM CHARGE

DEPARTMENT PASS ASSISTANT SEGSRETARY-DESIGNATE TODMAN, SAN
JOSE; USIA/ILA; AID LA/CAR

ALSO IN THIS CONNECTION, IT IS INTERESTING TO NOTE THAT BURNHAM
REFUSED TO REVEALKTOTAL DEFENSE EXPENDITURES FOR 1976-77 IN
THE PARLIAMENTARY KKUDGET DEBATE. FOREIGN ASSISTANCE TO DATE
HAS NOT BEEN FORTHCOMING IN ANY SIGNIFICANT AMOUNT TO COVER
GUYANESE SHORTFALL IN THE PROJECTED BALANCE OF PAYMENTS DEFICITS
IN 1977. REPORTEDLY, THE VENEZUELANS HAVE OFFERED TO ASSIST
GUYANA BUT FOR POLITICAL GRASONS THE GOG MAY NOT ACCEPT
THIS OFFER. LIBYA AND NIGERIA HAVE ALSO BEEN SOLICITED FOR
AID BUT AT THIS TIME THERE ARE NO INDICATIONS ANY FUNDS WILL
BE FORTHCOMING. THAT LEAVES THE SOVIET UNION AND THE WEST.
UNDER PRESENT CIRCUMSTANCES, IT IS HARD TO
IMAGINE ANY AID COMING FROM THE U.S. AND IF
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SO WOULD THE GOG SWALLOW ITS PRIDE AND ACCEPT

SOVIET AID, I HAVE BEEN TOLD BY THE FONMIN, DEPENDS IN
PART ON THE STRINGS ATTACHED TO SUCH AID. OTHER WESTERN
DONORS OR BANKS HAVE NOT INDICATED A WILLINGNESS TO BAIL
OUT THE GUYANESE AT THIS TIME. THEREFORE, SOME HARD POLITICAL
DECISIONS IN THE NEAR FUTURE MUST BE MADE WHICH COULD
DECIVE GUYANA'S FUTURE BOTH DOMESTICALLY AND EXTERNALLY.

6. WE HAVE NOT BEEN ABLE TO DETERMINE WHAT DECISIONS, IF ANY,
WERE MADE AT THE RECENT CHIEFS OUNUSSIONS CONFERENCE HELD
ON JANUARY 10-14 THAT WOULD PROVIDE US WITH AN IDEA OF THE
DIRECTION TO BE TAKEN IN GUYANESE FOREIGN POLICY IWHE
COMING YEAR. THE ONLY HINT WAS REPORTED IN THE PRESS ON
JANUARY 18 IN A SHORT ARTICLE DISCLOSING DOMESTIC ECONOMIC
ISSUES DOMINATED
THE DISCUSSIONS.

7. INTERNALLY, THE GOVERNMENT STILL APPEARS SECURE ALTHOUGH
THERE ARE SIGNS OF DISAFFECTION. I AM CONCERNED THAT THE
AUSTERITY MEASURES INTRODUCED BY THE GOG TO ALLEVIATE SOME
OF THE STRAIN, IF UNSUCCESSFUL, COULD AFFECT THE STABILITY
OF GUYANA EXPECIALLY IF INSUFFICIENT ASSISTANCE FROM ABROAD
IS FORTHCOMING. AS REPORTED REFTEL, FONMIN BELIEVES CRUNCH
WILL COME IN THREE TO FOUR MONTHS. I BELIEVE THIS IS A
VALID ASSUMPTION. I CONTINUALLY HEAR AND READ OF OPPOSI-
TION PRIMARILY FROM THE EAST INDIAN COMMUNITY TO THE
DAKENCE BONDS COMMITTEE AND APATHY TOWARD AND SUSPICION OF

THE PURPOSE OF THE GUYANA PEOPLE'S MILITIA ESTABLISHED LAST MONTH. SO FAR AS I CAN DETERMINE, BURNHAM'S CALL FOR UNITY IN FACE OF EXTERNAL AND INTERNAL PRESSURES HAS NOT BEEN SUCCESSFUL.

8. AT THIS POINT, I BELIEVE IF THE SITUATION DOES NOT WORSEN, THE GOG WILL SOMEHOW MUDDLE THROUGH. HOWEVER, THE LACK AT THIS TIME OF ANY APPARENT COHERENT ECONOMIC OR POLITICAL POLICY ENUNCIATED BY THE GOVERNMENT, COUPLED

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WITH UNPROVEN ALLEGATIONS OF DESTABILIZATION OCCURRING WITHIN AND WITHOUT THE COUNTRY HAVE CREATED SOME CONFUSION AMONG THE GUYANESE POPULATION. THE GUYANESE PEOPLE ARE ALSO BEGINNING TO QUESTION WHY THE GOG APPEARS SO STRONGLY INFLUENCED BY CUBA WHEN PURPORTEDLY THE CUBANS ARE IN NO POSITION TO OFFER ANY SUBSTANTIAL ECONOMIC ASSISTANCE. WHEN THE FOREIGN MINISTER CAN EXPRESS CONCERN OVER THE GOVERNMENT'S DRIFT, IT IS EASY TO IMAGINE WHAT PEOPLE OUTSIDE THE GOVERNMENT HAVE BEEN EXPRESSING TO EMBASSY OFFICERS. ONE CONSTANT RUMOR WE HEAR IS THAT BURNHAM IS LOSING CONTROL. I DO NOT BELIEVE THIS; BUT I ALSO BELIEVE THAT BURNHAM HAS MOVED FURTHER LEFT IN ORDER TO ACHIEVE TIGHTER CONTROL WITHIN THE GOVERNMENT AND ISOLATE THE PPP, HIS ONLY REAL FOE AT THIS TIME.

9. IN CONCLUSION THEN, I AM SOMEWHAT PESSIMISTIC ABOUT OUR OPPORTUNITIES TO IMPROVE RELATIONS WITH THE GOG IN 1977. I BELIEVE THAT WE COULD AT BEST CHARACTERIZE OUR RELATIONS FOR 1977 AS A HOLDING OPERATION WITH THE US MAINTAINING A RELATIVELY LOW PROFILE. IMPROVEMENT OF RELATIONS SHOULD DEPEND UPON A CESSATION OF IRRESPONSIBLE ATTACKS AGAINST THE USG, OUR OFFICIALS AND OUR POLICIES. HOWEVER, IF THE OPPORTUNITY PRESENTS ITSELF, WE SHOULD BE PREPARED TO HELP THE GUYANESE IF ONLY TO PROVIDE AN ALTERNATIVE FOR THE GOG AND TO SHOW THE GOG AND THE NON-ALIGNED WORLD USG INTENTIONS ARE GOOD TOWARD COUNTRIES WHERE OUR INTERESTS ARE MINIMAL. IT WOULD BRING US GOODWILL THROUGHOUT CARIBBEAN AND CERTAINLY LESSEN SUSPICIONS ABOUT USG INTENTIONS IN THE AREA. ONE THING THAT HAS BECOME CLEAR TO ME IN THE PAST THREE MONTHS IS THAT REGARDLESS OF THE OFFICIAL ATTITUDE OF THE GOVERNMENT, AMERICANS IN GUYANA STILL RECEIVE A HOSPITABLE WELCOME FROM THE AVERAGE GUYANESE, CHOKE-AND-ROB PROBLEMS NOTWITHSTANDING. THIS HAS MADE OUR LIVES HERE BEARABLE UNDER THE PRESSURES OF ALMOST UNRELENTING OFFICIAL HOSTILITY AND CALUMNY SINCE LAST OCTOBER.

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Message Attributes

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